

EXHIBIT 4

Appointment of Legal Counsel and Expert Consultant for the City of Edmonton re Asbestos Claims

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Recommendation:

1. That the City enter into a retainer agreement with Speights & Runyan to represent the City in U.S. Bankruptcy proceedings of several asbestos manufacturers.
2. That the City enter into an agreement with Pinchin Environmental Ltd. to assist the City in compiling information required for the U.S. Bankruptcy proceedings of several asbestos manufacturers.

Report Summary

Executive Committee approval is required in order to retain the legal counsel and the expert consultant because the potential expenditure under the retainer agreements may exceed \$100,000.00.

Report

Several major manufacturers of sprayed fire proofing and acoustic finishes have entered into U.S. Bankruptcy proceedings to settle forever all potential liability for their asbestos products.

The City may be entitled to claim asbestos removal or abatement costs from the manufacturers in the U.S. Bankruptcy proceedings. In order to make the claim, the City must collect data, verify product type, and file certain documents with the U.S. Bankruptcy proceeding.

Pinchin Environmental Ltd. will assist the City in compiling the necessary data, verifying the product types and completing the documents required for the U.S. Bankruptcy proceedings. The City will pay Pinchin testing costs estimated to be about

\$12,000 (Cdn.). In addition, Pinchin will receive 11.5% of the amount of monies recovered by the City in the U.S. Bankruptcy proceedings.

Speights & Runyan will represent the City and other potential claimants, in seeking asbestos removal or abatement costs in the U.S. Bankruptcy proceedings. The City will pay Speights & Runyan 28.5% of the amount of monies recovered by the City in the U.S. Bankruptcy proceedings.

Budget / Financial Implications

The only expenditure that the City will be required to pay in advance of settlement are testing costs estimated to be \$12,000 which will be funded by Asset Management & Public Works.

Justification of Recommendation

1 & 2:

In order for the City to be able to recover from the U.S. manufacturers, it must file a claim prior to March 31, 2003. It is estimated that the City has incurred expenses of over \$3,000,000 in asbestos removal and abatement. Although it is unlikely that all of these costs can be recovered, there is a possibility that some costs may be recovered.

Others Approving this Report

Bill Burn, Asset Management and Public Works Department

Routing:	Executive Committee
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